

APPENDIX E

Page 1

THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

CHRISTINA GORAY, :
Plaintiff, :
vs. : CIVIL NO.
UNIFUND CCR PARTNERS; MARVIN S.C. : 06-00214 HG/LEK
DANG; JAE B. PARK; STUART MARTINEZ, :
Defendants. :

Deposition of: JEFFREY A. SHAFFER

Taken: By the Plaintiff
Pursuant to Agreement

Time: Commencing at 10:28 a.m.

Place: Sheraton Airport
Executive Board Room
2826 Terminal Drive
Hebron, Kentucky 41048

Before: S. Diane Farrell, RMR, CRR
Sherry Music, Videographer
Notaries Public -
Commonwealth of Kentucky

Page 22	Page 24
<p>1 A. Correct.</p> <p>2 Q. Let's go to inquiry area number 2, the 3 forms/notices generated by Unifund for the collection 4 of consumer debts from 2004 to the present. Do you 5 have any such forms?</p> <p>6 A. Can you help me out with what a -- what 7 you mean by a form or a notice?</p> <p>8 Q. Yes. Does Unifund ever send notices 9 directly to consumers saying, you know, Mr. or 10 Ms. Consumer, you owe Citibank, you know, \$5,000, we 11 got assigned this debt, please pay us? Anything like 12 that?</p> <p>13 A. Yes, we do that on some particular 14 segments of a portfolio. Between 2004 and to the 15 present we've had different policies, so in the last 16 year, the policy would be yes, we have sent letters 17 to debtors in that regard.</p> <p>18 From 2004 to 2006, the answer would 19 probably be no to that. We didn't -- we didn't 20 really send letters to a debtor unless they 21 specifically called in to Unifund asking for a letter 22 or a settlement or account information.</p> <p>23 Q. Well, how would that debtor know that 24 Unifund has the debt if they were never notified 25 prior?</p>	<p>1 Q. Okay. So in 2005 it was Unifund's policy 2 not to send, I'll call it collection notices, to the 3 individual consumers?</p> <p>4 A. That's fair.</p> <p>5 Q. Okay. And is that the reason why none 6 were sent to Ms. Goray?</p> <p>7 A. Could be, but even under our current 8 policy, I wouldn't say that she would have, for 9 certain, gotten a letter under our current policy of 10 accounts either.</p> <p>11 Q. Okay. But it's for sure that -- that no 12 notices were sent to Ms. Goray by Unifund requesting 13 payments?</p> <p>14 A. I believe that's correct.</p> <p>15 Q. Okay. And is -- is the first contact then 16 Unifund would have with Ms. Goray would be the Marvin 17 Dang's letter to her?</p> <p>18 A. Yes, I believe so.</p> <p>19 Q. How about the method of calculating 20 interest on consumer debt? How is that done?</p> <p>21 MS. KANE: Objection. Ambiguous as to 22 time frame.</p> <p>23 Q. Can you answer the question?</p> <p>24 A. Are you referring to Unifund's policy for 25 calculating interest?</p>
<p>1 A. Well, they would have been notified from 2 Citibank or Citibank's collection agency or whoever 3 the creditor was. Once we purchase the debt, we sell 4 a lot of our -- our accounts. So when we sell it, 5 our sales customers would typically be a collection 6 agency or a collection law firm. And they would send 7 the letter to the debtor or make the phone call to 8 the debtor.</p> <p>9 If the account ended up in our legal 10 network, then our attorneys all send a letter 11 immediately once they receive the placement on the 12 account.</p> <p>13 Q. Okay. So in this case, which I guess goes 14 to number 3, did Unifund send any kind of notice to 15 Christina Goray?</p> <p>16 A. I don't believe so.</p> <p>17 Q. Was that because this account was 18 transferred to Unifund prior to 2006?</p> <p>19 MS. KANE: Objection. I think that 20 question is vague and ambiguous.</p> <p>21 Q. Can you answer the question?</p> <p>22 A. I'm not sure I understand the question.</p> <p>23 Q. Okay. Do you remember when Unifund 24 obtained Christina Goray's account?</p> <p>25 A. Sometime in 2005.</p>	<p>1 Q. Yes, yes.</p> <p>2 A. And are you referring to our current 3 methodology?</p> <p>4 Q. Well, let's -- let's go back to the 5 original policy then. Has it changed since the 6 original policy?</p> <p>7 MS. KANE: Objection. Assumes facts not 8 in evidence. It is also very ambiguous and may 9 call for speculation.</p> <p>10 Q. Well, let's go -- let's follow up with 11 your answer then. What is the present policy?</p> <p>12 A. We take an account, upon import, when we 13 import it into the system, and we apply a simple 14 interest formula to the balance from chargeoff to the 15 time that we purchased the account. And then from 16 the day that we purchase it going forward, we 17 compound interest, calculating that on a monthly 18 basis.</p> <p>19 Q. Okay. Has that policy been different in 20 the past?</p> <p>21 A. It's been that way for a long time, so 22 certainly while we had -- certainly 2004 to the 23 present, that's been our policy.</p> <p>24 Q. Okay. So when Unifund received Christina 25 Goray's account in 2005, the interest that's</p>

Page 42	Page 44
<p>1 Q. Okay. And that's only in response to a 2 request from the attorney for that particular 3 document?</p> <p>4 A. We would have chargeoff statements, last 5 activity statements, any statement on the account or 6 the application, if it was available, or the 7 cardholder agreements, would all be a request in to 8 Citibank. Citibank would forward us hard copy pieces 9 of paper that we would scan into our system.</p> <p>10 If our attorney has the ability to get 11 that electronically, then we would do that, send that 12 to them electronically. Otherwise it would get sent 13 them to them on a piece of paper. So we would 14 reprint what we've scanned and send to our attorney, 15 like Marvin Dang.</p> <p>16 Q. Okay. And beside these -- this two pages, 17 Exhibits 42 and 43, what other hard copies pertain to 18 Christina Goray that Unifund received from Citibank?</p> <p>19 A. I believe there's some account statements, 20 a chargeoff statement, and some earlier statements 21 going back to 2006 maybe and 2005 even. And I don't 22 know how many offhand there were, but there were a 23 number of account statements.</p> <p>24 Q. Thank you. Handing you what's previously 25 been marked as Exhibits 5, 6, 7, 8, 9, 10 and 11, can</p>	<p>1 direct or exact duplicate of what may have been sent 2 to Ms. Goray, because we have a 2/22/06 date in the 3 right -- top left corner?</p> <p>4 A. I believe that the stuff on the top 5 right-hand corner is added at Citibank at the time 6 that they reproduce the document, but that's just 7 speculation on my part.</p> <p>8 Q. Okay. And for all of the exhibits from 5 9 to 11, you don't have any information, as to 10 explanation of the top right-hand corner information, 11 what that all means?</p> <p>12 A. I don't.</p> <p>13 Q. Okay. I'm handing you what previously has 14 been marked as Exhibit Number 1. It's a Unifund 15 statement with a date of 4/25/2005 at the -- at the 16 top. Do you see that, Mr. Shaffer?</p> <p>17 A. Yes.</p> <p>18 Q. What is this particular statement?</p> <p>19 A. This is a statement that is generated at 20 the time that the affidavit is printed on the account 21 that we were previously discussing and is sent to the 22 attorneys.</p> <p>23 Q. Okay. This particular statement is not 24 sent to Ms. Goray?</p> <p>25 A. Correct.</p>
Page 43	Page 45
<p>1 you identify what those documents are?</p> <p>2 A. These look to be the statements that I was 3 referring to, being sent to Christina Goray.</p> <p>4 Q. Okay. So these are the hard copies that 5 were received from Citibank?</p> <p>6 A. These are reproductions of hard copies 7 that were sent from Citibank, yes.</p> <p>8 Q. Okay. At the top right-hand corner there, 9 there's a date of 2/22/06. What does that represent?</p> <p>10 A. I'm not familiar with any of the codes 11 there. That appears to be a date, but that's nothing 12 that Unifund added to an account.</p> <p>13 Q. Do you know what the word "Site: KC-CL" 14 means on Exhibit Number 5?</p> <p>15 A. No, I'm not certain of what that is. 16 Citibank does have locations in Kansas City, but 17 other than maybe being a state code, I'm really not 18 familiar with what that is.</p> <p>19 Q. This particular document, Exhibit Number 20 5, supposedly is a statement, closing date of July 21 7th, 2003. Do you see that in about the middle left 22 corner of the page?</p> <p>23 A. Yes, I do.</p> <p>24 Q. So is it fair to say that because this is 25 supposedly a 2003 statement, that Exhibit 5 is not a</p>	<p>1 Q. Okay. And it looks like it should be, 2 because you have all the Fair Debt Collection 3 Practices warnings at the bottom and things like 4 that. Is there a reason all that information is 5 there?</p> <p>6 A. We try to print those warnings on every 7 document just in case an attorney includes it to -- 8 in a communication to a consumer or something -- 9 something by chance gets in the hands of the 10 consumer, that it has the appropriate warnings on all 11 of our documents.</p> <p>12 Q. Okay. Strictly, though, this is in 13 conjunction with the affidavit of indebtedness that 14 is sent to the -- Marvin Dang's office?</p> <p>15 A. Yes. I believe they're printed at the 16 same time or they're printed in conjunction with each 17 other, in close proximity.</p> <p>18 Q. Okay. And this is one of the hard copies 19 that got sent to Mr. Dang's office?</p> <p>20 A. I believe so.</p> <p>21 Q. In this particular case, the lawsuit 22 requested 27 percent interest. And I'm referring to 23 Exhibit 40, which is the attachment to the complaint.</p> <p>24 A. Yes.</p> <p>25 Q. Okay. And is it your testimony that that</p>

12 (Pages 42 to 45)

434

ACCOUNT NUMBER	BALANCE AS OF 04/26/2005	PAYMENT DUE DATE	MINIMUM PAYMENT	PAYMENT ENCLOSED
[REDACTED]	\$ 9,953.18	PAST DUE	\$ 9,953.18	\$ [REDACTED] MADE CREDIT PROBLEMS TO UNIFUND

UNIFUND STATEMENTCHRISTINA M GORAY
[REDACTED]**REDACTED****MESSAGE FROM UNIFUND**

YOUR ACCOUNT IS PAST DUE \$9,953.18. THE PAST DUE AMOUNT IS INCLUDED IN THE MINIMUM PAYMENT. PLEASE REMIT IMMEDIATELY. IF YOU HAVE ALREADY SENT A PAYMENT FOR THE ABOVE AMOUNT, THANK YOU.

TRANSACTIONS:

Date	Transaction	IR	Balance	Due	Payments	New Balance
04/25/2005	's Account Was Issued Under The Name Of WAMU GW CLASSIC,	0.2700	9,953.18	9,953.18	0	9,953.18

PROMPT CREDITING OF PAYMENTS. TO RECEIVE CREDIT FOR PAYMENTS AS OF THE DATE OF RECEIPT, WE MUST RECEIVE YOUR CHECK OR MONEY ORDER AT:

UNIFUND
10828 TECHWOODS CIRCLE
CINCINNATI, OH 45242

PAYMENTS RECEIVED AT THE ABOVE ADDRESS IN THE MANNER SPECIFIED AFTER THAT TIME WILL BE CREDITED TO YOUR ACCOUNT AS OF OUR NEXT BUSINESS DAY. THE CREDITING TO YOUR ACCOUNT OF PAYMENTS RECEIVED AT ANY LOCATION OTHER THAN THE ABOVE ADDRESS MAY BE DELAYED UP TO 5 DAYS OF RECEIPT.

THIS COMMUNICATION IS FROM A DEBT COLLECTOR. FEDERAL LAW REQUIRES US TO INFORM YOU THAT THIS IS AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.